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FINANCIAL CONTROL AND FINANCIAL ACCOUNTABILITY IN THE PUBLIC SECTOR IN NORTH EAST NIGERIA

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ABSTRACT

The Nigeria public sector has consistently witnessed a decline in its performance and productivity occasioned by the poor state of financial accountability in the system partly from inadequate and poor internal control mechanisms. This study was therefore carried out to examine whether financial control has any effect on financial accountability in the public sector in North East Nigeria. The specific objective was to assess the effect of public sector audit, budgetary control, and procurement processes on financial accountability of the public sector in North East Nigeria. The study employed a cross-sectional research design on a sample size of 128 employees selected from the Office of the Auditor General of the six states in North East Nigeria while questionnaire was used for data collection. The multiple regression analysis conducted revealed that while public sector audit and procurement processes has a significant positive effect on financial accountability in the public sector in North East Nigeria, budgetary control was found to have no significant effect on financial accountability. The study recommended that state governments should strengthen their audit procedures and mechanism as a sound public sector audit framework will help improve financial accountability. The study also recommended that the procurement processes in all the states in Nigeria should be improved upon and legislated. In that way, the financial accountability in the Nigeria public sector will be improved.

Keywords: financial control; public sector audit; budgetary control; procurement processes; financial accountability

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INTRODUCTION

The public sector is the framework that government uses to discharge its primary responsibility of providing social amenities and infrastructure. As the world experience rapid changes due to the effects of globalisation by increasing the interconnectivity of multi-national and multi-lateral institutions, there is therefore, an increased need to emphasize the role of government in addressing the multifaceted challenges in society (Young et al., 2022). Junaidu and Aminu (2015) opined that the public sector is "an organization that is responsible for managing the resources of a nation on behalf of the people who are the owners of these resources." However, much is desired of the activities of the public sector in terms of financial accountability especially in the Nigerian context. Financial accountability is the obligation on the part of those charged with financial responsibility in the public sector to render account for the responsibility conferred (Makina & Mago, 2015). However, those responsible have failed to live up to their responsibility. This has ultimately impacted on the country's ranking in terms of corruption which has seen it declining from 146 in 2019 to 149 in 2020 (Transparency International, 2021).

Attempts to correct the ills inherent in the Nigerian public sector, viz its lack of financial accountability commenced with reforms as early as 1971 with the Adebo Commission followed by the Udoji Commission, Dotun Phillips Commission, and the Ayida Panel (Igbokwe-Ibeto et al., 2019). Other policy attempts have focused on policies targeting re-orientation of the value system to support transparency and accountability, the whistleblower policy strengthening of public accounts committees, fight against corruption, and introduction of novel technology such as the IPPIS and TSA. Recently, the government introduced the International Public Sector Accounting System (IPSAS) to ensure financial accountability in the public sector in Nigeria. All these attempts are targeted at addressing the rot in the Nigeria public sector by improving the state of financial accountability in the system (Oladipupo & Omolade, 2022). Despite these attempts to address some of the problems in the Nigerian public sector, financial accountability continues to be a problem in the Nigeria's public sector (Beredugo & Ekpo, 2022). This has therefore, led to calls to examine the reasons why there is a poor state of financial accountability in the Nigerian public sector (Omodero & Okafor, 2016), specifically North Eastern Nigeria. One of the reasons suggested is lack of financial control.

Financial control is defined as "the sum total of the work, which guides, directs and interprets the budget cycle" (Okwoli, 2004). It can be seen as the rules established to protect public assets and resources for the purposes of financial accountability (Avery & Obah, 2018). In this study, we conceptualize financial control as public sector audit, budgetary control and procurement processes (Maimako, 2005; Maduenyi et al., 2015; Ojok, 2016; Ozuomba, 2019; Jembe & Wandera, 2019). Public sector audit captures the process of reviewing financial statements and evaluating the accuracy of the information provided while budgetary control on the other hand is a system which utilizes budget as a means of planning and controlling all financial aspects in the public sector. Procurement processes are both financial and non-financial activities associated with the acquisition of government assets, civil works, and services (Egbunike, 2014; Bayero, 2016).

Theoretical debates have tried to relate financial control and financial accountability in the public sector (Lasse, 2021; Kunkel, 2021; Olaoye et al., 2021). However, most studies have been conducted outside Nigeria such as South Africa (Debebe & Osebo, 2019), Kenya (Jembe & Wandera, 2019), Uganda (Ojok, 2016), and Ghana (Tweneboah & Ndebugri, 2017). Those in Nigeria have focused on secondary data covering the whole country (Omodero & Okafor, 2016). This approach inherently ignores completely the peculiarities that exist in individual states and regions. The studies employing primary data have been limited to states (Maimako, 2005; Ironkwe & Okiakpe, 2017; Umar, 2018; Abdulsalam & Bamidele, 2019) without any known study exploring financial control and financial accountability in North Eastern Nigeria. This has therefore provided strong motivation for this study. This study therefore, departs from earlier studies to examine whether financial control components: public sector audit, budgetary control, and procurement processes have any effect on financial accountability in the public sector of North Eastern Nigeria. Based on this argument, we propose the following hypotheses.

Research Hypotheses

The following hypotheses are tested in this study:

H_1: Public sector audit has no significant effect on financial accountability in the public sector.

H_2: Budgetary control has no significant effect on financial accountability in the public sector.

H_3: Procurement processes have no significant effect on financial accountability in the public sector.

LITERATURE REVIEW

Financial Control

The concept of financial control has no universal definition with the concept assuming different meanings to different scholars. According to Wakiriba et al. (2014), financial control is defined as a field of study that prioritizes the effective and efficient allocation of scarce resources so as to attain value in the attempt at achieving the objectives of the government. Bina and Obah (2018) on their part define financial control as the system that is intentionally designed to protect government assets and to ensure that all financial transactions are recorded to prevent and reduce errors and fraud. According to Cheruiyot et al. (2017), the main focus of financial control is to provide a comprehensive regulatory framework for the effective and efficient management of state resources. It is also an aspect of financial management practices, which include resource generation, resource allocation, and expenditure and resource utilization.

Financial control is the framework through which the public sector report on both the internal and external financial expenditures and revenues of government as laid out by extant laws and

regulation. Hayles (2005) posit that an effective and efficient financial control system ensures the maintenance of proper accounting records so as not to expose public institutions to arbitrary risks. As argued by Maimako (2005), Avery and Obah (2018) and Anane et al. (2019), the dimensions of financial control include public sector audit, budgetary control, and procurement processes.

According to Ferry et al. (2022) and Cordery and Hay (2022), public sector audit involves the process of a critical review of governments financial statements by evaluating the accuracy of the information provided in line with laid down rules and regulations. Antipova (2013) argue that public sector audit systems are becoming more rampant because of the need for government accountability. This has led to the introduction of performance public sector audit which goes beyond the traditional public sector audit scope of mere compliance with rules, regulations and legislation, and whether authorization for all expenditures exists. According to this aspect of public sector audit, there is an introduction of the performance evaluation system, which monitors and evaluates the performance of governmental units on a continuous basis (Ioryer et al., 2017).

According to Lambe et al. (2015), budgeting is a key policy instrument for public management. Egbunike (2014) defines budget as a comprehensive and coordinated plan expressed in financial terms for the operations of an enterprise for some specific period in the future. Budgetary control can therefore, be viewed as a system of controlling cost which embraces the preparation of budget, coordinating and establishing responsibility and comparing actual performance with the budgeted and ultimately acting upon results to achieve maximum profitability (Brown & Howard, 2002). In the same vein, Batty (1982) sees budgetary control as a system which utilizes budget as a means of planning and controlling all financial activities of the organization.

According to Bayero (2016), procurement process is a framework that describes governments instituted rules of acquisition of government property etc. According to the United Nations Development Programme, [UNDP] (2007), public procurement describes governments system that is responsible for the acquisition of public goods, civil works and services. It covers such aspects such as the identification of the public needs and the selection of qualified companies or organizations to address or supply what is determined through needs assessment. This covers the preparation and award of all government contracts which includes the management of the contract through the lifespan of project execution. Procurement process is therefore a cycle of activities that procurement is carried out in public institutions. According to Emmett and Crocker (2008), this process starts with the identification of public sector needs according to the mandate of the government, which is followed by the process of acquisition of the required products or services following laid down procurement legislation and policies.

Financial Accountability

Accountability is synonymous with responsibility. It is a type of relationship that comes to existence when an obligation is taken on by an individual (or corporate entity) such as the

responsibility to assume a role or discharge a task (Odunayo, 2014). Cheruiyot et al. (2017) define accountability as the duty to provide on account (by no means necessarily financial) or reckoning those action for which one is held responsible. According to Makina and Mago (2015), it is the obligation to render an account for a responsibility conferred. It presumes the existence of at least two parties: one who allocates responsibilities and one who accepts the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards with the officer reporting fairly and accurately on performance results vis-à-vis mandated roles and or/plans (Odunayo, 2014). It means doing things transparently in line with due process and the provision of feedback. Financial accountability is "defined as an embodiment of the obligation to account for the success or failure of the organization's mission in achieving the objectives and objectives that have been determined through a media accountability carried out periodically" (Muttaqin & Mulyasari, 2018). It is also defined as "the recording, disseminating, summarising, assessing, and interpreting financial accounts in aggregate and detail" (Ogiriki & Buseri, 2022).

To Khan (2016), accountability reflects the need for government and its agencies to serve the public effectively in accordance with the laws of the land. This is particularly so given the huge number of resources in control by individuals working in government to deliver programmes and projects (Achua, 2009). This has influenced Kaufman (2005) and Nwoke et al. (2023) to argue on the need for government officials to show accountability in order to address the ills and eliminate corruption and promote transparency in government. Data reveals that Nigeria ranks 144 on the Transparency International Global Corruption Perception Index in 2018 compared to 149 in 2020 and 150 in 2022. This shows the worsening level of corruption in the country. This has placed Nigeria in a precarious situation among the comity of nations in terms of its level of public accountability with calls for mechanisms to address this deteriorating situation; one of which is institutionalized financial control mechanism (Bina & Obah, 2018).

EMPIRICAL REVIEW

Public Sector Audit and Financial Accountability

Ozuomba (2019) examined the relationship between performance audit and accountability of the public sector entities in Nigeria. The population of the study was the Nigeria public sector. The results demonstrated that there was a huge gap between performance audit and accountability in the Nigeria public sector entities. The absence of accountability culture and strong government agencies to enforce laws and rules has significantly influenced poor public sector performance. Likewise, Abdulsalam and Bamidele (2019) on their part examined the place of public sector audit in organizational performance of public sectors in Nigeria, using some selected Local Government in Zamfara State, Nigeria as case study. The findings revealed among others that there exist a significant relationship between internal audit department and the administration of the Local Government, specifically that there was a significant relationship between internal public sector audit and proper reporting of stewardship by accounting officers. Ozuomba et al. (2016) study also

examined whether audit was an effective tool for improving institutional governance and financial accountability in the public sector. Data were gathered through questionnaire and hypotheses tested using ANOVA. The study found that internal audit can effectively check fraud and fraudulent activities in the Imo State public sector.

Other studies conducted by Sorunke (2016), Onatuyeh and Oniefor (2013) show that public sector audit has a significant impact on financial accountability in the public sector in Nigeria. The Sorunke (2016) study investigated the procedure and guidelines employed in the audit of public sector accounts. The author employed a qualitative study and found a significant relationship between audit procedures and accountability of staff of the Auditor General's Office in Osun State. On the other hand, the study by Onatuyeh and Oniefor (2013) examined the impact of internal audit functions on public sector management and accountability in Edo State of Nigeria. Using data from 12 government ministries and parastatals in Benin City, Edo State and employing quantitative approach, the authors showed that effective internal public sector audit ensures proper stewardship reporting and accountability of government accounts in Edo State.

Budgetary Control and Financial Accountability

Maimako (2005) on his part examined the role of financial control institutions in promoting financial accountability in the public sector in Plateau State. Employing questionnaire and chi-square ($\chi 2$) test statistics, the author found that the public budget is not a significant instrument of legislative control over public finance in Plateau State; while the reliance of the Auditor-General on the financial statements prepared by the Executive arm of government does not significantly influence his performance. Kimani's (2014) study found that the impact of budgetary control on the performance of NGOs is significant but weak. However, a study conducted by Debebe and Osebo (2019) which examined the impact of the budgeting process on the organizational effectiveness of Wolaita Zone Public Finance was able to find a direct relationship between budgetary control on the performance of public institutions in Kenya. Similar conclusions were reached in studies conducted by Umar (2018) and Ironkwe and Okiakpe (2017). Umar's (2018) study examined the impact of budgeting on the financial accountability of government parastatals, specifically the Abuja Federal Housing Development Authority. His study revealed that there is a great degree of relationship between budgetary implementation and their actual performance. Ironkwe and Okiakpe's (2017) study on the other hand examined the impact of budgetary control on financial accountability in Nigeria using Ministry of Commerce in Rivers State. Using a quasi-experimental research design, the study revealed that there is a significant impact of budgetary practice proxies on financial accountability.

Procurement Process and Financial Accountability

Jembe and Wandera (2019) analyzed factors of procurement audit that may affect performance of public institutions in Kenya. The results showed a positive correlation between the independent variables of procurement accountability, procurement conformity, procurement transparency and procurement performance on performance of public institutions in Kenya. Bosco's (2018) study

was also conducted in Rwanda to assess the impact of electronic procurement on the performance of public institutions in that country. The author revealed that e-procurement was found to improve the performance of public institutions in Rwanda. In a related study, Tweneboah and Ndebugri (2017) examined the effectiveness of the procurement acts in public financial administration using Ghana as a case study. Using a sample of 100 respondents, the authors found that the procurement act contributes significantly to improving accountability and transparency in the Ghanaian public sector. In Nigeria, Aigheyisi and Edore's (2015) study examined the relationship between public procurement and governance in Nigeria. Their study found that sound public procurement practice and good governance are closely related. Onofe and Onobun (2014) on their part examined the impact of public procurement act on government financial accountability in Nigeria. Their study revealed that first professionalism in the public procurement process has the likelihood to influence government accountability in Nigeria. Also, Igwe et al. (2021) study established that e-procurement facilitates documentation of the bidding process which in turn enhances transparency and accountancy especially in public sector financial management.

THEORETICAL REVIEW

The theory of financial control was initiated by George P. Marsh in 1864 but was recently elaborated by Ostman (2007). This theory of financial control principally stipulates that existing and possible functions of financial tools for organizations are most essential. The theory of financial controls for organizations places a natural focus on the organization such that they are viewed from several latitudinal areas. The first focus of the theory is on individuals (in this study, the employees in the public service) and what activities they do for their organization (in this study, public institutions). The second focus of this study is on how the organization is structured (in this study, the bureaucratization) and the interrelationships among the different structures of the organization (the public service in this study). The last focus of the study dwells on the internal control system in the organization (in the public sector in this study) and the procedures and rules instituted to ensure its success. According to this theory, these three aspects work together to ensure the efficient and effective functioning of organizations (that is, the public sector). Financial control theory therefore provides an assurance to the management of the reliability of accounting data employed in making decisions. The financial control theory is very relevant to the current study given that it helps in better understanding the intricacies surrounding financial management in an organization. It delineates the aspects of financial control such as public sector audit, budgetary control and procurement process that are relevant towards maintaining high levels of financial accountability.

The theory is relevant to this study because it highlights the role of the individual, how the public sector is structured including the rules, regulations, and processes and the internal control systems instituted. The theory argues that if these components are lacking in an organization, that is the public sector, then such an organization will be exposed to corruption and financial recklessness. As a result, scholars have argued that the effective enforcement of financial control in the public sector will improve financial accountability in the system. For instance, Maimako (2005) argues

that properly instituted financial control systems leads to the improvement in the reporting process in the public sector. These arguments have formed the basis for exploring the role of financial control on financial accountability using the public sector in North East Nigeria as a case study.

However, available literature indicates that in spite of the existence of financial control mechanism in the public sector in Nigeria, financial accountability is yet to improve (Nwoke et al., 2023). In addition, there is a dearth of empirical research exploring this relationship using the public sector in North East Nigeria. As a result, this study proposes to examine whether the dimensions of financial control (public sector audit, budgetary control and procurement processes) have any effect on financial accountability in the public sector in North East Nigeria. The hypotheses of the study are reflected in Figure 1.

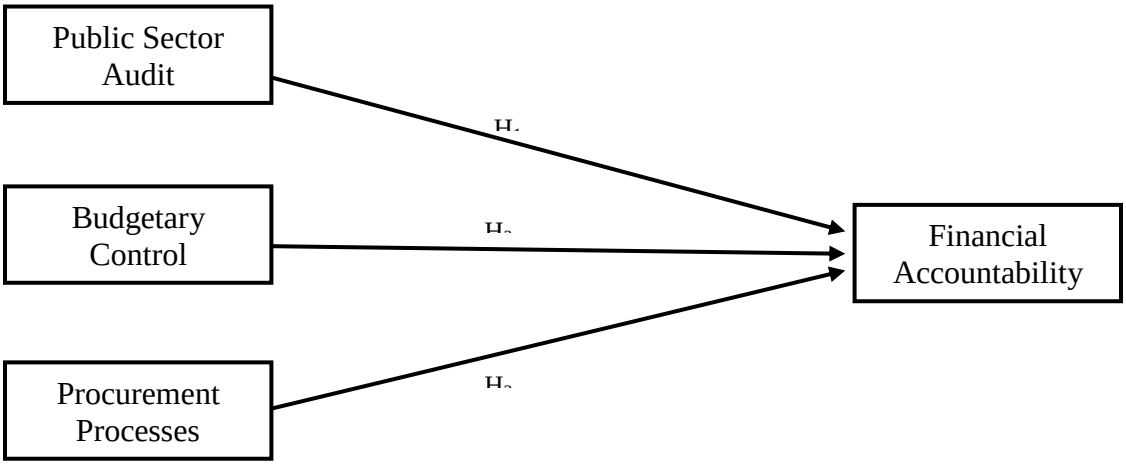

Figure 1: Conceptual Framework

METHODOLOGY

A cross-sectional survey research design with a focus on quantitative research methods was adopted in this study. A cross-sectional survey research design is a type of research design in which you collect data regarding the dependent and independent variable from many different individuals at a single point in time (Taris et al., 2021). The unit of analysis adopted in this study are the staffs of the Office of the Auditor-General located in the six (6) states in North East Nigeria with a sample size of 188 (Office of Head of Service, 2020) distributed as follows: Adamawa State, 43; Bauchi State, 37; Borno State, 34; Gombe State, 20; Taraba State, 29; and Yobe State, 25). Therefore, random sampling was implemented in selecting staff of the Office of the Auditor-General located in the six (6) states in North East Nigeria. Questionnaire was used to collect data from the respondents. Financial control was derived from Maimako (2005), Anane et al. (2019) and Ozuomba (2019) while financial accountability measures were developed from Avery and

Obah (2018) and Onuorah & Appah (2012). All the items were rendered on a 5-point Likert scale of 'strongly agree' to 'strongly disagree'. The items were subjected to reliability and were found to be satisfactory based on the results of the Cronbach's alpha as follows: financial accountability – 0.878; public sector audit - 0.779; budgetary control – 0.810; and procurement processes – 0.876.

Data analysis was achieved using multiple regression technique. This technique simultaneously evaluates the impact of at least two independent variables on a single dependent variable. In justifying the choice of the technique, Kang and Zhao (2020) argues that the technique is applicable in predicting the effect of an independent variable on a dependent variable and also which among the independent variables has the most effect on the dependent variable. As a result, its application to this study is therefore relevant and important. However, prior to assessing the significance of the path coefficients, model fit was evaluated using the F-statistic against degrees of freedom while the significance of the regression coefficients, represented by B-values was evaluated using the t-statistics, the confidence intervals and their p-values. For the decision criterion: If the p-value $<$ 0.05, then the null hypothesis was rejected implying that the variable does not contribute to explaining the variation in the dependent variable. The reverse was the case for p-values $>$ 0.05. In such cases, the null hypotheses are accepted while the alternative rejected.

RESULTS AND DISCUSSION OF FINDINGS

Out of the 188 questionnaires that were distributed to the staff of the Office of the Auditor-General, 60 questionnaires were lost with a final sample size of 128 used for the data analysis representing an effective response rate of 68%. In respect of the respondents' gender, 68.3% of the staff studied are male while 31.7% are female while 10.2% were within 18-28 years, 43.3% within 29-39 years, 33.1% were within 40-50 years and 13.4% were above 50 years. For status of employment, majority of the respondents (93%) are confirmed staff, 5.2% were awaiting confirmation while only 1.7% were contract staff. Concerning respondents' position, 14% are in the management cadre, 52.8% of the sample are on Grade Level 10-14, while 30.1% are on Grade Level 7-9. Lastly, in terms of their level of education, 21% have a diploma or NCE certificate, 63% have HND or undergraduate degree, 11.3% have a master's certificate while 4.8% have other certificates.

The mean and standard deviation values (Table 1) for each of the variables show the following: public sector audit (M = 3.96, SD = 0.81), budgetary control (M = 3.79, SD = 0.90), procurement processes (M = 3.63, SD = 0.93) and financial accountability (M = 3.97, SD = 0.85). Table 1 also contains the correlation coefficients of financial accountability and public sector audit, budgetary control and procurement processes. The table also presents the correlation coefficients among the independent variables. The correlation result shows that financial accountability correlated significantly with public sector audit ($r = 0.76$, $p < 0.001$), budgetary control ($r = 0.67$, $p < 0.001$), and procurement processes ($r = 0.71$, $p < 0.001$). In terms of the correlation among the independent variables, public sector audit correlated significantly with budgetary control ($r = 0.71$, $p < 0.001$)

and procurement processes (r = .68, p < 0.001) while budgetary control correlates significantly with procurement processes (r = 0.68, p < 0.001).

Table 1: Mean, Standard Deviation, Correlation and Cronbach's Alpha

		Mean	SD	1	2	3	4	α
1	Financial Acc	3.97	.85	1.00				0.878
2	Public Sector Audit	3.96	.81	.76*	1.00			0.779
3	Budgetary Control	3.79	.90	.67*	.71*	1.00		0.810
4	Procurement Processes	3.63	.93	.71*	.68*	.68*	1.00	0.876

*p<.001

Source: SPSS Output (2023)

Evaluation of Model Fit

Prior to evaluating the model fit, the assumptions of multiple regression analysis were tested. When the assumptions are violated, it highly limits the models predictive value. After evaluating the boxplot, no case was more than 3 SD from mean implying that there is an absence of outliers in the dataset. The assumption of normality and linearity was also not violated after a close examination of the Histogram and Normal P-P Plot of Regression Standardized Residual. Multicollinearity was also tested by assessing the Tolerance and VIF. The result showed that public sector audit had a Tolerance value of 0.472 and VIF of 2.118; budgetary control had a Tolerance value of 0.482 and VIF of 2.076 while procurement processes had a Tolerance of 0.440 and VIF of 2.272. None of the values of Tolerance and VIF were more than the minimum threshold confirming that multicollinearity is therefore, not an issue in this study (VIF is expected to be < 5 while Tolerance > 0.10) (Tabachnik & Fidell, 2007).

Test of Hypotheses

This study was designed to test the effect of financial control on financial accountability in the public sector in North East Nigeria. The specific objectives sought to examine the effect of public sector audit, budgetary control and procurement processes on financial accountability in the public sector in North East Nigeria. Prior to testing the hypotheses, model fit was evaluated. When financial accountability was regressed against public sector audit, budgetary control and procurement processes, the regression model was significant [F = 67.91, df = (3, 109), p < 0.001] as shown in Table 2. This implied that the data fit the model as expected.

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Table 2: Anova – Test of Model Fit

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.301	3	17.434	67.905	.000[b]
	Residual	27.984	109	.257		
	Total	**80.285**	**112**			

a. Dependent Variable: Financial Accountability
b. Predictors: (Constant), Procurement Processes, Budgetary Control, Public Sector Audit

In addition, the coefficient of determination represented as R-Square was also accessed. R-Square is a statistical measure that represents the proportion of the variance for a dependent variable that is explained by an independent variable or variables in a regression model. Based on the result of the regression model, the R-Square reported in this study indicates that 65.1% of the variation in financial accountability was attributable to public sector audit, budgetary control and procurement processes. The adjusted R-Square was 64.2%. To evaluate the significance of the hypotheses, the t-value and p-value were used while assessing the contribution of the public sector audit, budgetary control and procurement processes to financial accountability was achieved using the standardized coefficients represented as beta (B). As Table 3 indicates, Hypotheses 1 and 3 are rejected while Hypothesis 2 is accepted.

Table 3: Test of Hypotheses

	Unstandardized Coefficients				
Model	**B**	**Std. Error**	**t**	**Sig.**	**Decision**
(Constant)	.583	.245	2.377	.019	
Public Sector Audit (H_1)	.482	.092	5.269	.000	Reject
Budgetary Control (H_2)	.121	.082	1.479	.142	Accept
Procurement Processes (H_3)	.279	.076	3.668	.000	Reject

Dependent variable: Financial Accountability
Source: SPSS Output (2023)

Hypothesis One (H_1): Public Sector Audit has no significant effect on financial accountability in the public sector.

Regarding hypothesis one, the author stated that public sector audit does not have a significant effect on financial accountability in the public sector in North East Nigeria. Going by the results of the regression analysis, public sector audit has a significant positive effect on financial accountability in the public sector in North Eastern Nigeria. This is shown by the following statistics: B = 0.482, SE = 0.092, t = 5.269, p = 000. This shows that hypothesis one is rejected in favor of the alternative hypothesis that public sector audit has a significant and positive effect on

financial accountability in the public sector in North East Nigeria. The multiple regression result showed that the effect of public sector audit on financial accountability in the public sector in North Eastern Nigeria is significant and positive explaining 48.2% of the variance in financial accountability. This means that if budgetary control and procurement processes are held constant while public sector audit is allowed to vary, then public sector audit will significantly improve financial accountability in North East Nigeria by 48.2%. This implies that states in North Eastern Nigeria who are desirous of improving their financial accountability must as a matter of importance improve their public sector audit system as this is the most important financial control mechanism that contributes more to ensuring financial accountability in governance. This research finding agrees with earlier research conclusions by Onatuyeh and Oniefor (2013), Ozuomba (2019), Abdulsalam and Bamidele (2019) and Sorunke (2016).

Hypothesis Two (H_2): Budgetary Control has no significant effect on financial accountability in the public sector.

This hypothesis was also stated that the effect of budgetary control on financial accountability in the public sector in North Eastern Nigeria is not significant. The multiple regression analysis results show that budgetary control has no significant effect on financial accountability in the public sector in North East Nigeria (B = 0.121, SE = 0.082, t = 1.479, p = 142). In other words, the evidence is insufficient to reject the hypothesis; hence it was accepted. This implies that budgetary control does not contribute to the variation in financial accountability in the public sector in North East Nigeria despite its percentage contribution of 12.1%. This result reveals the acceptance of the stated hypothesis. The result is consistent with the work of Kimani (2014) and Maimako (2005) who also reported a nonsignificant effect of budgetary control on financial accountability.

Hypothesis Three (H_3): Procurement Processes has no significant effect on financial accountability in the public sector.

Regarding hypothesis 3, the author stated that procurement processes has no significant effect on financial accountability in the public sector in North East Nigeria. Based on the multiple regression analysis, procurement processes has been shown to have a significant positive effect on financial accountability in the public sector in North East Nigeria as the result indicates: B = 0.279, SE = 0.076, t = 3.660, p = 000. Procurement processes, which contributes significantly to financial accountability in the public sector in North East Nigeria has been shown to account for a 27.9% variance in financial accountability. In order words, by varying procurement processes while holding public sector audit and budgetary control constant, its contribution to financial accountability in public sector in North East Nigeria is 27.9%. This implies that states in North Eastern Nigeria who are desirous of improving their financial accountability must as a matter of importance, clearly implement procurement processes among the job roles in the service as this will help improve financial accountability in governance. This finding gains support in earlier empirical research that shows the relationship between procurement processes and financial accountability (Aigheyisi & Edore, 2015; Onofe & Onobun, 2014; Tweneboah & Ndebugri, 2017; Bosco, 2018; Jembe & Wandera, 2019; Igwe et al., 2021).

CONCLUSION

This study sought to examine how financial control has a significant effect on financial accountability in the public sector in North East Nigeria. The specific objectives were to examine the effect of the dimensions of financial control proxied as public sector audit, budgetary control and procurement processes on financial accountability in the public sector in North Eastern Nigeria. Using staff of the Accountant General Office who were selected from the six North Eastern states of Adamawa, Bauchi, Borno, Gombe, Taraba and Yobe, the study was able to establish that public sector audit has the most influence on financial accountability which was followed by procurement processes. The evidence also supports the use of the theory of financial control as the underpinning theory of the study. By employing this theory as the basis of this study vis-à-vis the findings as presented, this study establishes the importance of the theory of financial control as providing explanation to the relationship between financial control and financial accountability in the context of the public sector in North Eastern Nigeria.

RECOMMENDATIONS

Based on the research findings as presented in this study, the following recommendations are suggested.

1) Public sector audit has been shown to have the most influence on financial accountability in the public sector in Nigeria, hence, there is need for the government to strengthen its audit practices, procedures and mechanisms. This can be achieved through continuous training of audit staff in the numerous government ministries, department and agencies (MDAs). Extensive systems of audit regarding every financial transaction of government should be developed and deployed across all the states of the federation if the focus is on achieving the required financial accountability in the public sector.
2) Budgetary control was not found to be significant. The study therefore recommends that future studies should be conducted to understand why budgetary control fails to predict financial accountability. This may be because of the lack of budget implementation which is characteristics of the activities of employees in the Nigerian public sector. The MDAs and the political system within the government could coordinate with the Houses of Assembly of each state to ensure that all government expenditure are budgeted for and no expenditure is done outside the budget.
3) To ensure financial accountability in the public sector, there is also a great need to strengthen the procurement processes in all the states across the country. One way to do that is to domesticate the procurement act across all the states in the country. Without clearly laid down rules, regulations and laws guiding public procurement, the realization of financial accountability in the public sector in Nigeria will continue to be a mirage. There is also the need for the political class and the elites to be involved especially as they are the individuals that contribute in flouting the laid down rules and regulations regarding public procurement, hence the onus is on them to respect the laws of public procurement as defined in the guidelines to help in promoting financial accountability.

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LIMITATIONS OF THE STUDY

This study is without limitations. Firstly, the study is limited to only the six states in North Eastern Nigeria without considering the other states or other senatorial regions in Nigeria such as the North Central, North West, South East, South South and South West. Expanding the scope to cover other regions will be more beneficial in understanding the role of financial control and financial accountability. Secondly, the study was limited to only one agency of government without considering other agencies and arms such as the Ministry of Finance and the Office of Budget and Planning. Thirdly, only three dimensions of financial control are employed in this study. These dimensions are not exhaustive hence to better understand the complex relationship between financial control and financial accountability, other variables of financial control can be included to better illuminate these relationships. Fourthly, the study did not include mediators or moderators such as public service accounting rules and procedures, political influence, societal interference among others. The inclusion of these and other variables will better illuminate the relationship.

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